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# Playing the Name Game: A Glimpse at the Future of the Internet Domain Name System

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# NOTE

## Playing the Name Game: A Glimpse at the Future of the Internet Domain Name System

Rebecca W. Gole\*

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What's in a name! that which we call a rose  
By any other name would smell as sweet.<sup>1</sup>  
—William Shakespeare

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1. WILLIAM SHAKESPEARE, ROMEO AND JULIET act 2, sc. 1.

## I. INTRODUCTION

While a rose may smell as sweet regardless of its taxonomy, when it comes to twentieth century communications, the Internet has shown that a name can change the scent of a company's commercial future. The Internet is quickly becoming the global medium for commerce, education, and communication. As the Internet continues to grow rapidly, individuals and businesses are racing to claim their own unique Internet address or domain name.<sup>2</sup> But these addresses are not just any names; they are often famous trademarks of United States businesses and corporations.<sup>3</sup> While this would not create a problem in the three-dimensional world since many businesses and individuals share the same name, on the Internet each domain name must be unique.<sup>4</sup> As a result of this requirement, a variety of trademark problems and disputes have arisen regarding the use of domain names.

One of the most publicized disputes involves enterprising individuals who have capitalized on many corporations' belated entrances into cyberspace by registering those corporations' trade names or service marks first. For example, Princeton Review, Inc., a well-known test preparation company, registered the domain name kaplan.com, the trade name of its largest competitor.<sup>5</sup> In addition, domain name problems are occurring among legitimate users of the same trademark who do not usually compete in their ordinary course of business, but whose paths inevitably cross online.<sup>6</sup> Who should own the domain name delta.com when both Delta Faucet and Delta Airlines have a legitimate claim to the trademark?

As a result of these trademark problems, businesses have begun to acquire desirable domain names at as rapid a rate as possible. For example, Procter & Gamble, a leading manufacturer of health and hygiene products, registered the names underarm.com and diarrhea.com to protect itself from trademark infringement, while Kraft Foods registered velveeta.com and parkay.com in addition to roughly 148 of its other product names.<sup>7</sup> This popularity of the ".com" name space has led to many of the domain name

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2. James West Marcovitz, Note, *ronald@mcdonalds.com—"Owning a Bitchin'" Corporate Trademark as an Internet Address—Infringement?*, 17 CARDOZO L. REV. 85, 85 (1995).

3. *Id.*

4. Wendy Grossman, *Connected: Lords of Their Domain Set for Identity Crisis*, DAILY TELEGRAPH (London), Nov. 11, 1997, at 12.

5. James W. Morando & Christian H. Nadan, *Can Trademark Law Regulate the Race to Claim Internet Domain Names?*, COMPUTER LAW., Feb. 1996, at 10.

6. Marcovitz, *supra* note 2, at 86-87.

7. Sheldon H. Klein, *New Attempt at Domain Name Accord*, NAT'L L.J., May 5, 1997, at B11.

disputes at issue.<sup>8</sup> Overuse by American companies has become a source of resentment among the rest of the world's Internet users who usually register under their country codes, such as ".uk" for the United Kingdom and leave ".com" for multinational companies.<sup>9</sup> Such use, misuse, and even abuse of registered trademarks and the ".com" name space have helped prompt a proposal for the overhaul of the domain name system.

Both the Internet Ad Hoc Committee (IAHC) and the U.S. government have submitted proposals for new domain name systems in an effort to balance the rights of trademark owners with those of domain name holders. The IAHC proposal not only recommends the creation of at least seven new generic top-level domains, but also attempts to provide answers to many of the current problems in the global marketplace through an on-line dispute resolution procedure and an international body of administrative law.<sup>10</sup> In contrast, the U.S. proposal entitled *Management of Internet Names and Addresses*, or the White Paper, proposes the creation of a non-profit corporation to manage functions of the domain name system.<sup>11</sup>

This Note examines the IAHC and U.S. proposals and presents additional changes necessary for the successful overhaul of the domain name system. Part II of this Note provides background information on the Internet and a detailed look at the current domain name framework. Part III provides a brief discussion of current domain name issues prompting the need for reform. In Part IV, current policies being used to solve domain name problems are discussed, as well as their shortcomings. Part V of this Note lays out the IAHC and U.S. proposals for reformation of the domain name system and explains relevant reforms. Finally, Part VI analyzes the two proposals and recommends additional provisions that should be implemented in order to have a successful global domain name system for the future.

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8. Heather N. Mewes, *Memorandum of Understanding on the Generic Top-Level Domain Name Space of the Internet Domain Name System*, 13 BERKELEY TECH. L.J. 235, 244 (1998).

9. Grossman, *supra* note 4.

10. Eric T. Fingerhut & P.L. Skip Singleton, Jr., *We're Entering a New Domain*, LEGAL TIMES, Oct. 6, 1997, at 6-8.

11. See generally *Management of Internet Names and Addresses, Statement of Policy*, 63 Fed. Reg. 31,741 (1998) (National Telecommunications and Information Administration (NTIA) proposes to discuss the creation of a new not-for-profit corporation managed by a board of directors that represents the world) [hereinafter *Internet Statement of Policy*].

## II. BACKGROUND

### A. *The Domain Name System*

Thousands of Internet sites have been created by businesses and individuals to provide consumers with information as well as new products and services.<sup>12</sup> Each site must contain its own unique address, and consumers must know the correct address in order to access these sites.<sup>13</sup> When an individual or business attempts to get users to visit its Internet site, it gives out its domain name.<sup>14</sup>

A domain name is an easy-to-remember replacement for an Internet address.<sup>15</sup> When an individual or corporation registers for a domain name, it is actually assigned an Internet Protocol (IP) address such as 169.229.97.112.<sup>16</sup> This address "consists of several domains, 'moving left to right from the most specific to the most general, with each domain separated by periods.'"<sup>17</sup> The Internet Assigned Numbers Authority (IANA) coordinates the system that allocates these IP addresses.<sup>18</sup> The IANA gives blocks of numerical addresses to regional IP address registries.<sup>19</sup> Larger Internet service providers then apply to these regional IP registries for blocks of IP addresses.<sup>20</sup> Then these Internet service providers reassign the addresses to smaller Internet service providers and to the end-users of the address.<sup>21</sup>

Because IP addresses are difficult to remember, Internet users substitute unique "domain names" as pseudonyms for the computer's real identification number.<sup>22</sup> When a domain name is entered into a computer it is automatically converted into the numbered address, which contacts the appropriate site.<sup>23</sup> An example of a domain name is acme.com.

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12. Lawrence Siskind, *Addressing the Net*, LEGAL TIMES, Oct. 6, 1997, at 14.

13. *Id.*

14. Marcovitz, *supra* note 2, at 91.

15. World Intellectual Property Organization, Geneva, *Issues Relating to Trademarks and Internet Domain Names* (visited Feb. 15, 1999) <[http://www.wipo.org/eng/internet/domains/tdn/cm/cm\\_i\\_2.htm](http://www.wipo.org/eng/internet/domains/tdn/cm/cm_i_2.htm)>.

16. Mewes, *supra* note 8, at 236 (citing Neil Randall, *How DNS Servers Work*, PC MAG., Sept. 24, 1996, at 217).

17. Morando & Nadan, *supra* note 5, at 10 (citation omitted).

18. Improvement of Technical Management of Internet Names and Addresses, *Proposed Rule; Request for Public Comment*, 63 Fed. Reg. 8826 (1998) [hereinafter *Technical Management Proposed Rule*].

19. *Id.*

20. *Id.*

21. *Id.*

22. Mewes, *supra* note 8, at 236.

23. World Intellectual Property Organization, *supra* note 15.

A domain name is divided into at least two parts—a “top-level” domain name, and a “second-level” domain name.<sup>24</sup> Though a domain name is read from left to right, an IP address is read from right to left. Thus, in the domain name acme.com, the top-level domain name (TLD) is “.com” and the second-level domain name (SLD) is “acme.” There are a limited number of top-level domain names currently in existence.<sup>25</sup> In each top-level domain there can be an unlimited number of second-level domain names, “but there can be only one of each *particular* second-level domain name in each top-level domain.”<sup>26</sup>

Four categories of top-level domain names currently exist. The first category consists of ISO 3166 country codes. These include over 180 two-letter country code top-level domains such as “.fr” for France, “.ca” for Canada, and “.uk” for the United Kingdom.<sup>27</sup> Usually an entity must be located in a particular country if it wishes to obtain a domain name in the top-level domain of that particular country.<sup>28</sup>

The second category consists of three top-level domain names that exist only in the United States. These are “.mil” reserved for the military, “.edu” reserved for educational institutions, and “.gov” reserved for governmental agencies.<sup>29</sup>

The third category of top-level domain names are called “generic” or gTLDs.<sup>30</sup> There are currently three gTLDs including “.com,” “.org,” and “.net.”<sup>31</sup> Anyone in the world, regardless of country, may register in these TLDs.<sup>32</sup> The TLD “.org” is technically reserved for nonprofit organizations, “.com” for commercial entities, and “.net” for networks, but people register in each TLD freely, regardless of the nature of the site since no checking is done at registration.<sup>33</sup> In actuality, “.com” has become the TLD of choice because it is so readily associated with commercial entities, and over one million Internet addresses alone end with the “.com” suffix.<sup>34</sup>

The “.int” TLD may only be used by international treaty organizations such as the World Intellectual Property Organization (WIPO). As a

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24. *Id.*

25. *Id.*

26. *Id.* (emphasis added).

27. *Id.*

28. *Id.*

29. *Id.*

30. *Id.*

31. *Id.*

32. *Id.*

33. *Id.*

34. *Distribution by Top-Level Domain Name by Host Count* (visited Feb. 15, 1999) <<http://nw.com/zone/WWW/dist-bynum.html>>.

further requirement, the name or acronym of the treaty organization must be used as the second-level domain, a restriction not practiced in any other TLD.<sup>35</sup> Thus, WIPO's domain name is wipo.int.<sup>36</sup>

### B. Domain Name Registration

When an individual, business, or corporation wishes to obtain a site on the Internet, it is allocated an IP address.<sup>37</sup> As previously mentioned, the IANA has overall authority for administering IP addresses and domain names.<sup>38</sup> The Internet Network Information Center (InterNic), however, administers the central database and directory that contains a list of all Internet addresses and their corresponding domain names.<sup>39</sup> Since 1993, InterNic has given Network Solutions, Inc. (NSI) the authority to serve as the domain name registrar for the gTLDs ".com," ".org," and ".net" under the sponsorship of the National Science Foundation.<sup>40</sup> This agreement expired in September, 1998<sup>41</sup> but under the United States' new proposal for management of Internet names, discussed below, it is clear that NSI will continue to administer domain name registration during the transition to a nonprofit corporation system of governance.<sup>42</sup> Outside the United States, new entities have been appointed in individual countries to register domain names with ISO 3166 country codes and to manage that particular country's internet address system.<sup>43</sup>

For the most part, the registration of domain names is done on a first-come first-served basis.<sup>44</sup> In fact, until July 1995, NSI would register domain names to the first person requesting them even if someone else owned the trademark on which the domain name was based.<sup>45</sup> In addition, the validity of applications has never been checked because NSI does not

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35. World Intellectual Property Organization, *supra* note 15.

36. *Id.*

37. Morando & Nadan, *supra* note 5, at 10.

38. *Internet Domain Name Trademark Protection: Hearing Before the Subcomm. on Courts and Intellectual Property of the House Comm. on the Judiciary*, 105th Cong. 152 (1997) (statement of John Wood, Senior Internet Consultant, Prince, PLC) [hereinafter *Trademark Protection Hearing*].

39. *Id.*

40. *Id.*

41. *Proposals for New Domain Name Registration System*, MULTIMEDIA & WEB STRATEGIST, June 1998, at 6.

42. *Id.*

43. Robert M. Frank, *The Evolution and Future of Internet Domain Names* (visited Feb. 15, 1999) <<http://www.ljx.com/courthouse/public/vendors/martindale/http/internet/frankdom.html>>.

44. *Id.*

45. *Id.*

want to expose itself to liability in the event of a trademark infringement suit.<sup>46</sup> In the past, trademark problems were not a concern of the Internet community since academics and the military, rather than the commercial entities that populate the Internet today, used the network almost solely.<sup>47</sup> However, due to the dramatic growth of electronic commerce in the last two years, the Internet is undergoing a multitude of changes.<sup>48</sup> Originally NSI was only processing 200 domain name applications a month, but today over 125,000 domain names are registered each month.<sup>49</sup>

Over time, domain names have become more than just Internet addresses. They are now electronic brand names associated with particular products, services, and ideas.<sup>50</sup> As a result of this change and the continuing exponential growth of the Internet, a variety of issues have arisen regarding domain name allocation and trademark infringement. These problems have led to a strong demand for reform of the current domain name system.

### III. DOMAIN NAME ISSUES

One of the fundamental problems of the Internet is that whereas many people in the real world can have the same name, on the Internet each domain name must be unique.<sup>51</sup> This conflict "is exacerbated by the fact that trademarks are territorial (state or federal) and multiple (from any of 42 classes), while domain names are global and unique."<sup>52</sup> In the United States for example, the need for trademark law arose due to a growing need to protect the intellectual property rights of individuals and businesses.<sup>53</sup> A trademark can take the shape of a variety of designs including a number, a slogan, or any other type of identifying mark that distinguishes one company's product from another.<sup>54</sup> Trademark rights are infringed when an individual or competitor imitates that mark to the extent that the average consumer would be misled into believing that goods purchased

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46. Ann Davis, *A Cunning Cyber-Lepidopterist Flutters by Some Big Companies*, WALL ST. J., Jan. 15, 1998, at B1.

47. Michael Stroh, *What's in a Name? Lots, on the Net*, SACRAMENTO BEE, Nov. 17, 1997, at IB8, available in 1997 WL 15805480.

48. *Id.*

49. *Id.*

50. *Trademark Protection Hearing*, *supra* note 38, at 151 (statement of John Wood, Senior Internet Consultant, Prince, PLC).

51. Grossman, *supra* note 4.

52. *Trademark Protection Hearing*, *supra* note 38, at 152 (statement of John Wood, Senior Internet Consultant, Prince, PLC).

53. Kevin L. Murch, *Cybercourt: Copyright and Trademark Law on the Information Superhighway*, 24 CAP. U. L. REV. 809, 815 (1995).

54. *Id.*



were from a place other than the true producer of the goods.<sup>55</sup> The major infringement test is whether the mark in question creates the likelihood of confusion that the average consumer would be misled.<sup>56</sup>

While these trademark principles may not seem that difficult to apply, the real crux of Internet problems is that there is no global trademark infringement test. The Internet is used in 250 different countries and provinces, and most have their own trademark laws.<sup>57</sup> These legal disparities, along with the domain name uniqueness requirement, have led to several serious problems under the current domain name system.

The first major issue resulting from the conflict between trademark law and domain name allocation is a phenomenon known as "cybersquatting" or domain name piracy. Cybersquatters register domain names of a famous company or product and attempt to extort money from the original trademark owner for use of that domain name rather than trade on it themselves.<sup>58</sup> One of the most infamous cybersquatters is Dennis Toeppen, who registered over 240 famous trademarks as domain names and then attempted to sell these site addresses back to the legitimate trademark owners at exorbitant fees.<sup>59</sup> Among the marks Mr. Toeppen reserved are nieman-marcus.com, eddiebauer.com, and ussteel.com.<sup>60</sup> This phenomenon is not limited to the United States either. In the United Kingdom, two ex-students trading under the name One In a Million Limited registered names including virgin.org, bt.org, sainsburys.com, lad-brokes.com, marksandspencer.com, and cellnet.net and then offered them for sale or hire to potential users.<sup>61</sup>

There is also a variation on cybersquatting whereby individuals register famous domain names, not to sell to the highest bidder, but to promote their own causes by capitalizing on Internet users who type in the incorrect domain name when they attempt to reach the actual site of the trademark owner. This phenomenon was demonstrated recently by Hans Schnauber.<sup>62</sup> Mr. Schnauber recently registered 170 Web addresses including timewarner.org, r.j.reynolds.org, espn.org, newyorkstockexchange.org, and smithbarney.org, and is using these sites to promote in-

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55. *Id.* (citation omitted).

56. *Id.* at 815-16 (citation omitted).

57. *Distribution by Top-Level Domain Name by Host Count*, *supra* note 34.

58. *Trademark Protection Hearing*, *supra* note 38, at 2 (opening statement of Rep. Howard Coble).

59. Siskind, *supra* note 12, at 15.

60. *Id.*

61. Steve Gold, *UK Domain Name Dispute Pair Given Leave to Appeal*, NEWSBYTES NEWS NETWORK, Dec. 17, 1997, available in 1997 WL 15601985.

62. Davis, *supra* note 46.

formation on plants that attract endangered butterflies.<sup>63</sup> The companies whose names were registered by Mr. Schnauber had not registered on the “.org” gTLD because it is supposed to be used for nonprofit agencies, which these companies are not.<sup>64</sup>

Companies are not the only ones at risk to this problem. Even the government was exposed in the summer of 1997. “Web surfers trying to reach NASA’s Mars Pathfinder site inadvertently landed not on the Red Planet but in a red light district.”<sup>65</sup> Cunning individuals registered nasa.com, a commercial Web page with links to adult entertainment sites, and capitalized on Web surfers’ mistakes in trying to reach NASA’s real site, nasa.gov.<sup>66</sup> More notable is that an individual purchased the domain name whitehouse.com and filled the site with X-rated “pictures” of Bill and Hillary Clinton in bondage apparel.<sup>67</sup> The real White House, which is located at www.whitehouse.gov, threatened legal action in response.<sup>68</sup> Recently, amid the first presidential scandal in cyberspace, the confusion over the domain name procedure has allowed clever individuals to register the names Vernonjordan.com, Monicalewinsky.com, and Lindatripp.com.<sup>69</sup> The Hawaiian company that registered Lindatripp.com reported 72,000 hits in its first two days.<sup>70</sup>

A third issue under the current domain name system is even more difficult to resolve because it involves two parties that each have legitimate grounds to use a mark as their domain name. A particularly good example of this problem was the dispute over the domain name gateway.com. A small company known as Gateway.com Inc. reserved the domain name gateway.com several years before Gateway 2000, the billion-dollar computer maker, attempted to reserve the name as its Internet address.<sup>71</sup> Gateway 2000 sued in federal court in North Carolina to evict Gateway.com Inc., but lost because the court found that Gateway.com Inc. had legitimate reasons for owning the domain name.<sup>72</sup> Mr. Clegg, the owner of Gateway.com Inc., innocently chose the domain name more than six years ago,

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63. *Id.*

64. *Id.*

65. Stroh, *supra* note 47.

66. *Id.*

67. *Id.*

68. *Id.*

69. *Fallout from Scandal*, ASSOCIATED PRESS POLITICAL SERVICE, Feb. 19, 1998, available in 1998 WL 7388257.

70. *Id.*

71. Siskind, *supra* note 12, at 16.

72. *Id.*

long before domain names had the value equated with them today.<sup>73</sup> Lawsuits such as this underscore the inability of the domain name system to accommodate more than one legitimate claimant to a domain name. In addition, they illustrate the additional problem of domain name shortages because under the current domain name system there are simply not enough names to accommodate all of the legitimate users of a particular trademark. For example, there may be 100 users that have legitimate claims to the name Gateway, but there can only be one gateway.com, one gateway.org, and one gateway.net.

A fourth issue arising under the current domain name system is known as reverse domain name hijacking. In this scenario, trademark holders attempt to recapture existing domain names from legitimate users for their own use. An example of this problem is the battle over the domain name Spree.com. Currently, Spree.com is the site of an Internet retailer that operates an online shopping service for products like books and flowers.<sup>74</sup> Sprint, the telecommunications company, would like to use the domain name to market its new Spree prepaid calling cards.<sup>75</sup> As a preemptive strike against the possibility of Sprint tying up the domain name under the NSI dispute policy currently in effect, Spree.com is taking Sprint to court.<sup>76</sup> By filing suit against Sprint first, Spree.com hopes to protect itself from the possibility of reverse domain name hijacking, as well as ensure that its domain name will not be put on hold by avoiding the NSI dispute policy altogether.<sup>77</sup>

A fifth issue has arisen where two businesses want the same domain name, but neither party has any trademark rights in the name at issue.<sup>78</sup> If neither party has trademark rights to be protected, how should the domain name dispute be decided? Who should be given control of the domain name and on what basis? Finally, there is also a problem when two companies have very similar domain names, computer.com and computers.com, for example.<sup>79</sup> In this situation there is clearly a likelihood of con-

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73. Wendy R. Leibowitz, *Gateway Loses Round in Domain Battle*, NAT'L L.J., Mar. 3, 1997, at A6. Gateway 2000 has subsequently acquired gateway.com following this lawsuit, and currently uses the site as its company Web page.

74. *Internet Access: Internet Retailer Spree.com Sues Sprint for "Reverse Domain Name Hijacking"*, EDGE, ON AND ABOUT AT&T, Sept. 22, 1997, available in 1997 WL 12806795 (citation omitted).

75. *Id.*

76. *Id.* ("Under NSI dispute policy, once a domain name is disputed, it is put in limbo—no one can use it—until the dispute is settled." This policy will be explained in depth later in this Note.).

77. *Id.*

78. Frank, *supra* note 43.

79. *Id.*

fusion among Web users, which is a violation of the fundamental tenant of trademark law. These last two problems are among some of the most difficult issues to resolve under the current domain name system.

#### IV. CURRENT SOLUTIONS TO DOMAIN NAME ISSUES

##### A. *Trademark Law and the Anti-Dilution Act*

In an effort to solve these problems, trademark owners have turned to existing trademark law to protect their rights in domain name disputes. The basic protections against trademark infringement in the United States are provided in the Lanham Act.<sup>80</sup> There are three federal causes of action available against a domain name holder: (1) trademark infringement under section 32 of the Lanham Act, 15 U.S.C. § 1114; (2) unfair competition under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); and (3) the Federal Trademark Dilution Act of 1995, section 43(c)(1) of the Lanham Act, 15 U.S.C. § 1125(c)(1).<sup>81</sup>

Federal trademark registration infringement actions are brought under section 32 of the Lanham Act, which generally provides that "any person who uses a registered mark in commerce without the consent of the trademark registrant in connection with the sale or distribution of goods or services, in a manner which is likely to cause confusion, is liable for monetary damages and/or subject to injunctive relief."<sup>82</sup> The standard for infringement, known as the "likelihood of confusion," is a test including the following factors:

(1) the similarity between the trademark registration owner's mark and the allegedly infringing mark, in terms of the appearance, sound, meaning and commercial impression of the marks; (2) the distinctiveness of the owner's mark; (3) whether the goods or services offered under the owner's mark and the alleged infringer's mark are related rather than directly competitive, and if so, the likelihood that prospective customers would expect that the trademark owner would expand into the field of commerce of the alleged infringer; (4) the similarity of the marketing method and channels of distribution used by the parties; (5) the characteristics of the potential customers and the degree of care they exercise in choosing goods or services; (6) evidence of actual confusion among customers or potential customers; (7) the intent of the alleged infringer; and (8) whether the trademark owner's goods or services are known in the alleged infringer's territory.

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80. Trademark Act of 1946 (Lanham Act), ch. 540, 60 Stat. 427 (codified as amended at 15 U.S.C. §§ 1151-1027 (1994 & Supp. II 1996)).

81. William A. Tanenbaum, *Rights and Remedies for Three Common Trademark-Domain Name Disputes*, COMPUTER LAW., Sept. 1997, at 13-14.

82. *Id.*

No single factor is determinative, and courts look to the totality of factors in determining likelihood of confusion.<sup>83</sup>

Section 43(a) of the Lanham Act provides a cause of action for unfair competition, and suits can be brought by holders of both federally registered and unregistered trademarks.<sup>84</sup> This section "protects a trademark owner against confusion, or likelihood of confusion, as to the source of origin, sponsorship or association, between the goods and services offered under the owner's mark and those offered under the mark of a competitor."<sup>85</sup> This particular cause of action "can afford the owner with protection against a wide variety of deceptive commercial practices, including trademark infringement and the false description or representation of goods or services."<sup>86</sup>

Finally, the owner of a "famous mark," as defined by trademark law, may also prevent anyone else's use of that mark under the Federal Trademark Dilution Act if such use would dilute the distinctiveness of the famous mark.<sup>87</sup> If the dilution of the mark by another is willful, the rightful owner of the famous mark can recover damages and costs.<sup>88</sup> The Act has four elements that are particularly important to domain name dilution: "(1) the person seeking injunctive relief must own the mark at issue; (2) the mark must be famous; (3) another person must use the mark in commerce after it has become famous; and (4) the other person's use must cause dilution of the mark's distinctive quality."<sup>89</sup>

The legislative history of the Trademark Dilution Act indicates that Congress recognized that the Act would help trademark owners against Internet domain name piracy.<sup>90</sup> Since its inception in January of 1996, the Act has been used in several cases as a basis for allowing trademark owners to capture domain names from cybersquatters. One of the most notable

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83. *Id.* at 13. See *Lozano Enter. v. La Opinion Publ'g Co.*, No. CV96-5969, 1997 U.S. Dist. LEXIS 20372, at \*9-\*12 (C.D. Cal. July 29, 1997); *Cardservice Int'l, Inc. v. McGee*, 950 F. Supp. 737, 741 (E.D. Va. 1997); *Comp Examiner Agency, Inc. v. Juris, Inc.*, No. 96-0213-WMB, 1996 WL 376600, at \*1 (C.D. Cal. Apr. 26, 1996).

84. Tannenbaum, *supra* note 81, at 13.

85. *Id.*

86. *Id.*

87. *Id.*

88. *Id.*

89. Carrie Weinfeld, Comment, *Carrie@onulrev.onu.edu: Internet Domain Names and Trademark Infringement*, 23 OHIO N.U. L. REV. 229, 252 (1996) (citing 15 U.S.C. § 1125(c)(1) (Supp. II 1996)).

90. See 210 CONG. REC. S19312 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy) ("Although no one else has yet considered this application, it is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others.").

cases was brought by Hasbro, Inc., the maker of the children's board game Candyland.

Internet Entertainment Group Ltd. (IEGL) used the domain name candyland.com as a sexually explicit Web site.<sup>91</sup> Hasbro, Inc., the rightful trademark owner of "Candyland," moved for a temporary restraining order against the group, claiming that the use of the name as a sexually explicit site diluted the value of Hasbro's CANDY-LAND mark.<sup>92</sup> The Western District Court of Washington found IEGL's use of the mark to be a violation of the Federal Dilution Act and Washington's own state anti-dilution law, and prohibited any further use of the domain name by IEGL.<sup>93</sup>

Despite these various causes of actions under trademark law, trademark owners are not well-protected from the domain name problems because the Internet does not fit the traditional boundaries of trademark law. While the anti-dilution act may be a good way of protecting trademark holders from cybersquatters, it only applies to the holders of famous marks and does not address the other problems associated with the current domain name system. Further, small players in the world of cyberspace who have limited resources cannot afford to defend themselves against attacks.<sup>94</sup> They are more likely to give in to demands by wealthy trademark owners even if they do have legitimate claims to the domain name simply because they cannot afford to fight back. In addition, despite these causes of action under U.S. law, trademark holders must remember that trademark rights are not global but regional. Trademark holders involved in disputes in other countries may not have these alternatives available. As the law stands now, disputes between trademark owners and domain name registrants will only continue because of the different structures behind trademark law and the Internet. The trademark system conflicts fundamentally with the Internet requirements of a unique worldwide address and, thus cannot establish fair and equitable results for the domain name problems in existence.

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91. Andrew Baum & Mark Epstein, *New Dilution Act Used to Evict 'Cybersquatters'*, NAT'L L.J., Jan. 27, 1997, at C3 (citing Hasbro, Inc. v. Internet Entertainment Group, Ltd., No. C96-130WO, 1996 WL 84853, at \*1 (W.D. Wash. Feb. 9, 1996)).

92. *Id.*

93. *Id.*

94. Harold Feld, *Twisting Trademark to Fit the Net*, LEGAL TIMES, Nov. 10, 1997, at 29.

### B. NSI's Dispute Resolution Policy

In addition to the outlets trademark law provides, Network Solutions, Inc. revamped its registration policy and created a Domain Name Dispute Policy in 1995.<sup>95</sup>

An applicant for a domain name must comply with the following requirements which are set forth in the revised NSI Domain Name Dispute Policy Statement . . . [:]

(1) The applicant must represent that it has the right to use the domain name requested.

(2) The applicant must state that it has a bona fide intention to use the domain name on "a regular basis" on the Internet.

(3) The applicant must represent that "[t]he use or registration of the Domain Name by Applicant, to the best of Applicant's knowledge, does not interfere with or infringe the right of any third party in any jurisdiction with respect to trademark, service mark, tradename, company name or any other intellectual property right."

(4) The applicant must state that it "is not seeking to use the Domain Name for any unlawful purpose . . . ."

(5) The applicant must have "operational name service" from at least two Internet service providers that are connected to the Internet and capable of enabling communication to take place under the domain name.

(6) If the applicant fails to make "regular use" of its domain name for a 90-day period, it may lose the name.

(7) The applicant must indemnify NSI and its related entities for any damages associated with use or registration of the domain name, including damages and attorneys' fees resulting from a determination that the issued domain name infringes the trademark rights of another party.<sup>96</sup>

The above policy is NSI's attempt to prevent trademark disputes by asking the applicant to scout for potential trademark infringement problems prior to registration. Still, "NSI awards domain names on a first to file basis. It does not make any determination as to whether the issuance of a domain name would conflict with the trademark rights of another party."<sup>97</sup> Instead, because NSI lacks the resources to determine if a proposed domain name would violate someone else's trademark rights, it en-

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95. Stacy B. Sterling, *New Age Bandits in Cyberspace: Domain Names Held Hostage on the Internet*, 17 LOY. L.A. ENT. L.J. 733, 742-43 (1997).

96. Charles D. Ossola, *Electronic "Wild West": Trademarks and Domain Names on the Internet*, in 2 PLI'S SECOND ANNUAL INSTITUTE FOR INTELLECTUAL PROPERTY LAW 401, 410 (1996) (citing *NSI Domain Name Dispute Policy Statement* (Nov. 23, 1995)).

97. *Id.* at 409.

acted a domain name dispute policy to address the concerns of trademark owners.<sup>98</sup>

The NSI domain name dispute policy allows for the suspension of a domain name in dispute when a trademark owner claims that the domain name infringes its trademark rights.<sup>99</sup> "If a trademark owner believes its rights have been infringed, it may file with Network Solutions a certified copy of a U.S. or foreign trademark registration."<sup>100</sup> Once that registration has been filed, the burden then shifts to the current domain name owner to prove that he or she has a registered mark, and therefore, a legitimate claim to the domain name.<sup>101</sup> A declaratory judgment action must be initiated to keep the domain name if the owner cannot provide proof of a registered mark.<sup>102</sup> The domain name will be placed on hold, unusable by either party, if the current domain name owner fails to respond within thirty days.<sup>103</sup> This hold period begins ninety days after the expiration of the first thirty-day period so that the domain name owner has enough time to adopt a different name and publicize the change to its users.<sup>104</sup>

Network Solution's new policy now appears to "uphold the superiority of trademark registrations in domain-name disputes."<sup>105</sup> But regardless of this policy, trademark holders are not protected enough. If trademark owners must resort to litigation their rights may be in jeopardy since it may be difficult for them to prove a likelihood of confusion, usually a necessary finding for an infringement claim.<sup>106</sup> A trademark owner may be left with no recourse unless it can prove to a court that the existence of an infringing domain name would confuse Web users. In addition, because the dispute policy relies upon the courts for ultimate disposition in many cases, trademark owners may be subject to an inconsistent method to resolve their disputes due to conflicting court opinions based upon different countries' trademark laws.<sup>107</sup> The NSI policy also does not address the problem of two legitimate trademark holders seeking to use the same domain name. As a result, trademark holders must resolve controversies in

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98. *Id.* at 411-12.

99. Seyamack Kouretchian, *Revised Rules Govern Domain-Name Disputes*, NAT'L L.J., Oct. 28, 1996, at C20.

100. Jonathan E. Moskin, *Postcards from the Internet: Domain Name Infringement*, N.Y.L.J., Mar. 10, 1997, at S6.

101. Kouretchian, *supra* note 99.

102. *Id.*

103. *Id.*

104. *Id.*

105. *Id.*

106. Moskin, *supra* note 100.

107. *Trademark Protection Hearing*, *supra* note 38 (statement of John Wood, Senior Internet Consultant, Prince, PLC).



court under traditional principles of trademark law, and unfortunately there is little law on this issue. Currently, the NSI's Dispute Policy is not effective at resolving domain name problems because it is incomplete, inconsistent, and expensive for trademark owners and creates unfair results.

## V. THE IAHC AND U.S. PROPOSALS

### A. *The IAHC Proposal*

Dissatisfaction with the NSI dispute policy and the deficiencies with current trademark solutions has led to a strong push among members of the Internet community to reform the domain name system. In response to this push, a plan known as the "Memorandum of Understanding on the Generic Top Level Domain Space of the Internet Domain Name System," usually referred to as the gTLD-MoU, was created to restructure the domain name registration system.<sup>108</sup> The proposal was created by a group known as the Internet Ad Hoc Committee (IAHC) whose members include representatives of the Internet Architecture Board, the Internet Assigned Numbers Authority, the Internet Society, the International Telecommunications Union, the International Trademark Association, the National Science Foundation, and the World Intellectual Property Organization.<sup>109</sup>

There are a number of key aspects to the plan. First, the proposal calls for governance of the domain name system by global community oversight and consensus.<sup>110</sup> Second, the proposal calls for "the creation of at least seven new generic top-level domains (gTLDs) to be assigned as follows:" ".firm" for businesses or firms; ".store" for businesses offering goods to purchase; ".web" for entities emphasizing activities related to the World Wide Web; ".arts" for entities emphasizing cultural and entertainment activities; ".rec" for entities emphasizing recreation/entertainment activities; ".info" for entities providing information services; and ".nom" for those wishing individual or personal nomenclature.<sup>111</sup>

Third, is "the creation of an unlimited number of new domain name registries spread throughout the world, working in cooperation and sharing a single database."<sup>112</sup> Fourth, is a voluntary sixty-day waiting period before domain names are activated so that there is time for the name to be published and for potential challenges by trademark owners.<sup>113</sup> Fifth, is the

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108. Fingerhut & Singleton, *We're Entering a New Domain*, *supra* note 10, at 6.

109. *Id.*

110. *Id.* at 8.

111. *Id.* at 6, 8.

112. *Id.* at 8.

113. Frank, *supra* note 43.

creation of a “procedure to make all applications to register domain names available for public inspection so that trademark owners can prescreen for infringement, dilution, and other objectionable activity.”<sup>114</sup>

Finally, the proposal calls for the creation of an “online alternative dispute resolution procedure conducted by Administrative Challenge Panels (ACPs) under the rules of WIPO’s Arbitration and Mediation Center.”<sup>115</sup> The ACPs would have the ability to exclude domain names from some or all of the gTLD registries depending on the strength of the trademark rights involved.<sup>116</sup>

One of the most important parts of the gTLD-MoU is the dispute resolution policy which states:

[A] policy shall be implemented that a second-level domain name in any of the CORE gTLDs which is *identical to or closely similar* to an alphanumeric string that, for purposes of this policy, is deemed to be *internationally known*, and for which *demonstrable intellectual property rights* exist, may be held or used only by, or with authorization of, the owner of such demonstrable intellectual property rights. *Appropriate consideration* shall be given to possible use of such a second-level domain name by a third party that, for purposes of this policy, is *deemed to have sufficient rights*.<sup>117</sup>

This policy essentially enacts “an international body of administrative ‘law’ relating to the right to register trademarks as second-level domain names.”<sup>118</sup> In order to use the policy, a challenger must prove that its trademark is “internationally known,” not a regional mark.<sup>119</sup> The gTLD-MoU defines a trademark as “internationally known if it is registered in more than 35 countries in at least four ‘geographical regions,’ without regard to its commercial significance, or lack thereof, in those countries.”<sup>120</sup> The gTLD-MoU also provides further guidelines for the ACPs to follow that state that an internationally known mark is one “‘known beyond a local area . . . in a number of countries, the exact number depending on the population and market size of the countries.’”<sup>121</sup> Administrative Challenge Panels can also decide if a trademark is “internationally known ‘[b]ased on actions of the domain name holder’” and advertising and survey evidence.<sup>122</sup> A decision under this policy presumably involves finding a determination that the domain name holder

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114. Fingerhut & Singleton, *We’re Entering a New Domain*, *supra* note 10, at 8.

115. *Id.*

116. *Id.*

117. *Id.* (citation omitted).

118. *Id.*

119. *Id.*

120. *Id.*

121. *Id.* (citation omitted).

122. *Id.* (citation omitted).

has registered the name or names at issue in hopes of selling it back to the rightful owner/challenger.<sup>123</sup>

The proposal also recognizes a standard termed "globally known." A globally known trademark is one that is registered by the same entity for the same goods or services in seventy-five or more countries.<sup>124</sup> The owner of such a trademark can apply to have a "general exclusion" in each of the seven new gTLDs.<sup>125</sup>

Since its release, the gTLD-MoU has been signed by more than 150 entities that support the necessary reforms to the registration system.<sup>126</sup> There is no question that it is one of the broadest and most developed proposals for revamping the current domain name system. Despite this show of support, however, the proposal has been criticized for its aggressive technology development and for the lack of participation in its drafting by members of the Internet community outside of Internet engineers.<sup>127</sup> Others criticized the plan because it imposed greater and unnecessary burdens on trademark holders while failing to solve the competition problems pervasive among Internet users.<sup>128</sup> The proposal has not been able to overcome its initial criticism, and important segments of the Internet community still refuse to give their support, standing by their criticism that it is insufficiently representative of the Internet community.<sup>129</sup>

### B. *The U.S. Proposal*

As a result of continued pressure to change the domain name system, and the U.S. government's wish to withdraw from its management, the Department of Commerce issued a Green Paper on January 30, 1998, seeking public comment on the direction of U.S. policy with respect to the domain name system.<sup>130</sup> The Green Paper adopted elements from other proposals, including the IAHC Memorandum of Understanding.<sup>131</sup> Following several months of public comment, the U.S. Department of Commerce released its long-awaited report entitled *The Management of Internet Names and Addresses*, or White Paper, on June 5, 1998, which

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123. *Id.* at 8-9.

124. *Id.* at 9.

125. *Id.*

126. *Id.* at 8.

127. *Internet Statement of Policy*, *supra* note 11, at 31,743.

128. *Id.*

129. *Id.*

130. *Id.*

131. *Id.*

proposes criteria for a new nonprofit corporation to manage the domain name system and proposes guidelines for developing future policies.<sup>132</sup>

The white paper . . . urges the private sector to create a not-for-profit corporation committed to the four following principles: The stable transfer of management functions so as not to disrupt current operations; Decentralized management so as to foster innovation and optimize competition; Governance that should reflect the same type of governance that has characterized development of the Internet to date; and, Representation of the global and diverse interests of the Internet community.<sup>133</sup>

The new corporation ultimately should have the authority to manage and perform a specific set of functions . . . to coordinat[e] the domain name system, including the authority necessary to: set policy for and direct the allocation of IP number blocks to regional Internet number registries; oversee [the] operation [and expansion] of the authoritative Internet root server system[, which contains all of the authoritative databases listing all TLDs]; and coordinate the assignment of other Internet technical parameters . . . to maintain universal connectivity on the Internet.<sup>134</sup>

Despite the fact that the White Paper is a U.S. government proposal, the United States intends to oversee only the beginning operations of the new corporation, and hopes to phase out its Internet involvement by September 2000.<sup>135</sup>

The White Paper also addresses domain name trademark issues. In order to alleviate the current issues, the Paper calls for the nonprofit corporation to create a searchable database of registered domain names.<sup>136</sup> This new database would contain contact information for each registrant such as up-to-date registration information on the domain name, a mailing address for service of process, the date of registration, and the date any objection to registration of the name is filed.<sup>137</sup> The proposal also calls for the exclusion of certain famous trademarks from registration, unless they are being registered by the legitimate holder of the mark.<sup>138</sup> Finally, the proposal calls for the corporation to “require that each domain name registrant submit to specific jurisdiction in the event of litigation and [that] domain name registrants . . . agree to submit to and be bound by alternative dispute

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132. *Proposals for New Domain Name Registration System*, *supra* note 41.

133. *Id.*

134. *Internet Statement of Policy*, *supra* note 11, at 31,749.

135. Eric T. Fingerhut & P.L. Skip Singleton, Jr., *The gTLD-MoU: A Yellow Flag for Trademark Owners on the Information Superhighway*, 38 IDEA: J.L. & TECH. 281, 299 (1998) [hereinafter *A Yellow Flag for Trademark Owners*].

136. *Proposals for New Domain Name Registration System*, *supra* note 41.

137. *Internet Statement of Policy*, *supra* note 11, at 31,750.

138. *Proposals for New Domain Name Registration System*, *supra* note 41.

resolution in cases involving cybersquatting.”<sup>139</sup> The U.S. government has called on WIPO to develop a report on dispute resolution guidelines, which is scheduled for publication on March 1, 1999.<sup>140</sup>

It should be noted that although the Green Paper suggested the creation of up to five new gTLDs to enhance competition and provide information to the technical community,<sup>141</sup> the U.S. government announced in the White Paper that it would not implement new gTLDs at this time, and would instead leave that decision to the new corporation.<sup>142</sup> Despite this declaration, it appears that new gTLDs suggested by the gTLD-MoU will go into effect in March 1999.<sup>143</sup>

## VI. RECOMMENDATIONS

Both the gTLD-MoU and the White Paper proposal can benefit trademark owners in a variety of ways, including: (1) increasing the amount of available second-level domain names due to the creation of the new gTLDs; (2) making it much easier to monitor trademark infringement; (3) establishing easier methods to resolve domain name disputes through the creation of an online process for contesting domain names; (4) establishing personal and subject matter jurisdiction over the domain name holder; and (5) providing a system for resolving international disputes.<sup>144</sup> Yet despite these many advantages, several things still need to be done to create an effective domain name system for the world's use: the creation of a truly international agreement; enforcement of the meaning behind each gTLD; global marketing and education about the various gTLDs; creation of a centralized database of domain names and trademarks; checking the validity of domain names; a global dispute resolution process; and use of the “.us” TLD.

First, in order for a new domain name system to operate effectively worldwide, it must have the support of the majority of the Internet community. Unlike the gTLD-MoU, the White Paper has not been criticized for being insufficiently representative of the Internet community. However, the White Paper proposal places the future of the Internet in the hands of “stakeholders,” and presently, determining who qualifies as a

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139. *Id.*

140. *WIPO Seeking Comments on Int'l Dispute Process Proposal*, MULTIMEDIA & WEB STRATEGIST, July 1998, at 1.

141. *Internet Statement of Policy*, *supra* note 11, at 31,746.

142. *Id.*

143. *WIPO Seeking Comments on Int'l Dispute Process Proposal*, *supra* note 140, at 10.

144. Fingerhut & Singleton, *A Yellow Flag for Trademark Owners*, *supra* note 135, at 10.

stakeholder remains unclear.<sup>145</sup> At the annual convention of the Internet Society held in Geneva in July 1998, "several speakers . . . noted that more than half the world's population has never made a telephone call. Are they stakeholders in the future of the Internet?"<sup>146</sup> In addition, questions arose at the conference concerning whether regions such as Scotland, East Timor, and Palestine, where movements exist to establish independent nations, should be given their own "country code" domain names.<sup>147</sup> As the Internet continues to become more international in character, it is unclear who will represent the interests of the world's population. The current U.S. proposal runs the risk of creating a nonprofit corporation that is actually run by a "small, elite, global class of technocrats,"<sup>148</sup> instead of being representative of the majority of the Internet community.

While the United States should be commended for taking the lead in developing an international proposal for management of the domain name system, the White Paper should be implemented so that the board of directors of the nonprofit corporation reflects the viewpoints of the Internet community as a whole. As stakeholders are decided upon, the United States, as the initial keeper of the new nonprofit corporation, should make sure that the board of directors is composed of a diverse group to ensure international input in decision-making processes. Since the Internet is essentially a messy entity due to numerous other systems of power at play in its operation,<sup>149</sup> making the board of directors widely representative will help ensure that the new domain name system is as efficient and effective as possible as the Internet continues to expand internationally.

Second, for a new domain name system to work well, the meaning behind each gTLD already in effect, and those which may be created in the future, must be enforced. If any of the new gTLDs are to meet the goals behind their creation, companies and individuals must use the proper gTLD so that consumers can draw reliable inferences about that company or individual from its gTLD choice. For example, if an entity is commercial than it can establish a domain name on the ".com" gTLD, but if it is a nonprofit agency or a personal Web page, those domain names must be on the ".org" and ".nom" gTLDs respectively. This would provide more accuracy among Internet users because it would narrow their search for the correct site of an individual or company if each registrant is required to reg-

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145. Gary Chapman, *The Cutting Edge Digital Nation: Seeing Beyond Borders as Domain Names Go Global*, LOS ANGELES TIMES, Aug. 17, 1998, at D1.

146. *Id.*

147. *Id.*

148. *Id.*

149. *Id.*

ister on the gTLD that concurs with the nature of its business. Furthermore, failure to enforce the new gTLDs' meanings will only create more confusion among Web users and will result in trademark owners registering their trademarks on each gTLD to secure themselves against the possibility of infringement. This would be in complete contradiction to the IAHC's and the United States' goal of creating more domain names because instead of providing additional outlets for other legitimate trademark owners, one entity could eat up the name on each gTLD, perpetuating the legitimate trademark holder problem. On the other hand, enforcing the meaning behind each gTLD will provide additional domain names for multiple holders of the same trademark, and give a partial solution to one of the issues currently in dispute.

Third, for enforcement of the gTLD system to be effective, there should also be global marketing and education about the various gTLDs so that Internet users get beyond believing all domain names end with the suffix ".com". At the present time, the creation of new gTLDs has the potential to cause great confusion among consumers who are unaware of the existence of these new top-level domains, as well as some of the ones currently in effect, and the meanings behind them. If there is no education about the new gTLDs there is a risk that these new domains will not be used to their full capacity because they will not be widely known or understood. Rather than increasing the amount of domain names available to trademark holders, there may be a reluctance in using the new gTLDs for fear that they will not have the same economic value as ".com" because of their relative anonymity. If businesses and individuals are wary of using the new gTLDs they will be ineffective overall and will not adequately provide a solution to the domain name shortage for those entities that possess the same trademark name or similar domain names. Also, reverse domain name hijacking would remain a problem because the existing gTLDs would remain the most valuable, and Internet users would continue to compete with each other for names on those top levels.

In order to combat these issues, consumers, individuals, and business owners must be educated fully about all gTLDs in order to minimize consumer confusion and allow for the domain name system to work to its full potential. Education will promote registration on the new gTLDs because individuals and businesses will welcome the opportunity to use these levels to promote their interests as these gTLDs become as common to the Internet user as ".com" is today.

Fourth, if the domain name system is ever going to be effective against trademark problems, the searchable global database of domain names and registered trademarks encouraged in the White Paper must be created. With the amount of registrars increasing by ten to twenty per year

in the future, mass confusion could result if there is no worldwide database to cross-reference existing domain names. If the database contains the contact information suggested by both the IAHC and White Paper proposals, it could be searched prior to registration of any domain name, which would enable each registrar to cross-reference the applicant's proposed domain name and cut down on the amount of piracy and trademark disputes.

In addition, if all of the gTLDs are available to all registrars in a master database, it would prevent a domain name holder from having to change part of his or her domain name string in the event he or she switches registrars under a new system. This would make domain names portable and help to eliminate consumer confusion because domain name addresses would remain intact.<sup>150</sup> If an individual's or business's domain name stays the same, names that are still available could be more accurately predicted, providing an outlet for other trademark holders and cutting down on cybersquatting if an entity already possesses a domain name on a given gTLD.

Until the proposed database is complete and operational, the keepers of the new domain name system should make the public aware of new services available for identifying domain names that may conflict with a proposed trademark. Worldwide Domain Search, a new product by Thompson & Thompson, determines the availability of a domain name and can even identify any domain names that may conflict with a trademark.<sup>151</sup> The product allows users to search for domain names by country, geographic region, or throughout the world.<sup>152</sup> Domain names that conflict are placed on a list for the customer at a cost of \$0.25 per name, though it is possible to get more information at \$1 per name.<sup>153</sup>

NetBenefit, a leading domain name registrar in the United Kingdom, has launched a product called I-Watch, which notifies a company of any domain names that may conflict with or impact their brand or domain name.<sup>154</sup> The cost of this service is an annual fee of GBP 120 plus VAT, but in return, I-Watch can actually customize the watch on a particular

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150. *Trademark Protection Hearing*, *supra* note 38, at 151-52 (statement of John Wood, Senior Internet Consultant, Prince, PLC).

151. *Worldwide Domain Search*, ONLINE INC., Aug. 18, 1998, available in 1998 WL 11629929.

152. *Id.*

153. *Id.*

154. *NetBenefit Launches I-Watch for Worldwide Protection of Brand Names*, M2 PRESSWIRE, Sept. 9, 1998, available in 1998 WL 16521717.



domain name.<sup>155</sup> Whenever a new name is registered that may impact the client's domain name, I-Watch e-mails the client.<sup>156</sup>

Another necessary provision of the new domain name system is that domain name registrars check the validity of all domain names since not all trademarks are registered. If only the rightful owners of a particular trademark or brand name are allowed to register that name as their Internet address, it would prevent a massive amount of domain name disputes and would cut down on trademark owner's beliefs that the only way to protect their rights by registering on each gTLD. The United States' proposal of excluding famous trademarks from the new database is only helpful in respect to registered trademarks, so a provision requiring domain name applicants to give a reason as to why they are registering for a particular name, like that contained in the IAHC proposal, should be used as a screen to check the validity of an applicant's claim to a particular domain name. Validity checks combined with the enforcement of the meanings of the gTLDs would help eliminate a huge portion of the cybersquatting in existence today. If an individual cannot show legitimate proof of a right to that domain name, he or she would not be able to register the name and wreak havoc on the rightful trademark owner. Instead, only valid users of a particular name would be given the authority to register it as his or her Internet address.

Sixth, as previously mentioned, WIPO's development of a dispute resolution process should harmonize the various national trademark laws. Currently, it is simply too challenging for people to be familiar with the multitude of different standards of review applied by courts worldwide. Domain name disputes should not be governed by conflicting laws and different national principles. Instead, there must be an international forum where parties to a dispute can argue their cases before one system of law. If there is ever to be an end to cybersquatting, reverse domain name hijacking, and the disputes between legitimate trademark holders, there must be a concrete body of law developed to deal with these issues on a global basis. Only when there is a law enforceable in all Internet-using nations can a domain name holder truly be protected. This is not to say that national methods for resolving disputes should be completely thrown out. Local courts should retain some jurisdiction to resolve disputes between trademark holders of the same country. But when it comes to international disputes, there must be one forum with a unified law. Without this provision, the new domain system would be little improvement over the current

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155. *Id.*

156. *Id.*

one because individuals would continue to resort to their own laws, which may conflict with those of other nations.

Finally, if the resentment by other nations over America's monopolization of the ".com" gTLD is ever to be overcome, the United States must also be forced to have its domain name holders register in the ".us" country code. Currently "[t]he .us name space has typically been used by branches of state and local governments, although some commercial names have been assigned."<sup>157</sup> Use of the ".us" TLD would allow for more equality among nations that use the Internet since the majority of other countries register their domain names on their country code TLDs. Expanded use of ".us" might also alleviate some of the pressure surrounding ".com" because it would be another way to uniquely identify a domain name on the ".com" gTLD. This could reduce conflicts between two legitimate holders of the same trademark because they might both be able to use the ".com" suffix if the ".us" TLD is utilized. It could also help reduce confusion among Web users because entities with the same names in different countries would be delineated by their nationality.

## VII. CONCLUSION

The current domain name system is badly in need of restructuring as domain names and trademark rights continue to clash. The current proposals by the Internet Ad Hoc Committee and the U.S. government are bold proposals that are by far the most thoughtful and reasoned recommendations for the overhaul of the current domain name system in existence today. But like any new plan, both proposals still need work if they are to answer effectively the domain name problems of the present and future.

This Note has shown that a system must be implemented that satisfies trademark owners while still providing for the needs of domain name holders. Until a domain name system is implemented that is effective for both today's users and those of the future, there will continue to be a disparity between the worth of *rose.com* and *rose.firm*.

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157. *Technical Management Proposed Rule*, *supra* note 18, at 8831.

